

File Second

RECORDATION NO. 13329-C FILED 1982

CRAVATH, SWAINE & MOORE

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INTERSTATE COMMERCE COMMISSION

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

RECORDATION NO. 13329-B FILED 1982

No. 2-0-1A055

Date MAR 2 1982

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INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

File Second

March 1, 1982

RALPH L. McAFEE
HENRY W. DEKOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
JOHN F. HUNT
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK
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RICHARD J. HIEGEL

CHRISTINE BESHAR
ROBERT S. RIFKIND
DAVID BOIES
DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL
DOUGLAS D. BROADWATER
ALAN C. STEPHENSON
RICHARD L. HOFFMAN
JOSEPH A. MULLINS
MAX R. SHULMAN
WILLIAM P. DICKEY
STUART W. GOLD
JOHN W. WHITE
JOHN E. BEERBOWER

COUNSEL
MAURICE T. MOORE
FRANCIS F. RANDOLPH, JR.
TELEPHONE
212 422-3000
TELEX
RCA 233663
WUD 125547
WUI 620976
CABLE ADDRESSES
CRAVATH, N. Y.
CRAVATH, LONDON E. C. 2
33 THROGMORTON STREET
LONDON, EC2N 2BR, ENGLAND
TELEPHONE: 1-606-1421
TELEX: 8814901
RAPIFAX/INFOTEC:
1-606-1425

Union Tank Car Company
Equipment Trust Financing Dated as of
February 15, 1982
16-1/2% Equipment Trust Certificates Due
March 1, 1997
(Series H-1)

Amended and Restated Agreement

Dear Madam:

Pursuant to 49 U.S.C. § 11303(a), I enclose herewith on behalf of Union Tank Car Company for filing and recordation counterparts of the following documents:

File under 13329-B

(a) Amended and Restated Lease Agreement dated as of February 15, 1982, between Union Tank Car Company, as Lessee, and HGA Corporation, as Owner; and

File under 13329-C

(b) Assignment of Lease and Agreement dated as of February 15, 1982, between HGA Corporation, as Owner, and American National Bank and Trust Company of Chicago, as Trustee.

The names and addresses of the parties to the aforementioned Agreements are as follows:

(1) Trustee:

American National Bank and Trust
Company of Chicago,
33 North La Salle Street,
Chicago, Illinois 60690.

(2) Lessee:

Union Tank Car Company,
39 South La Salle Street,
Chicago, Illinois 60603.

Chris J. Kelly
13576

Chris J. Kelly - Wm. H. Swaine

(3) Owner:

HGA Corporation,
C/O Hyatt Corporation,
One Hyatt Center,
Rosemont, Illinois 60018.

Please file and record the documents referred to in this letter and index them under the names of the Trustee, the Owner and the Lessee.

The Amended and Restated Lease Agreement amends a Lease Agreement dated as of November 13, 1981, previously filed with the Interstate Commerce Commission on November 17, 1981, at 4:30 p.m., Recordation Number 13329.

Please file the Amended and Restated Lease Agreement submitted with this letter and assign it Recordation Number 13329-B and assign the Assignment of Lease and Agreement 13329-C.

Please cross-index the Amended and Restated Lease Agreement and Assignment of Lease and Agreement with the following document which is being filed simultaneously:

Equipment Trust Agreement dated as of February 15, 1982, among American National Bank and Trust Company of Chicago, as Trustee, HGA Corporation, as Owner, and HG, Inc., as Guarantor, Recordation Number .

The equipment covered by the aforementioned Agreements appears in Exhibit A attached hereto and also bearing the legend "Ownership Subject to a Security Agreement Filed With The Interstate Commerce Commission".

There is also enclosed a check for \$80 payable to the Interstate Commerce Commission representing the fee for recording the Amended and Restated Lease Agreement and related Assignment of Lease and Agreement (together constituting one document) and the requested cross-indexing.

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish

to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,



Ann W. Wooten
As Agent for Union Tank
Car Company

Agatha L. Mergenovich,
Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423.

Encls.

RECORDATION NO. 13329-B
Filed 1982

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INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 2044-226]

AMENDED AND
RESTATED LEASE AGREEMENT

Dated as of February 15, 1982

between

UNION TANK CAR COMPANY,
Lessee

and

HGA CORPORATION,
Owner

The rights and interests of the Owner under this Amended and Restated Lease Agreement are subject to a security interest in favor of American National Bank and Trust Company, as Trustee for certain institutional investors. The original of this Lease Agreement is held by said Trustee.

[Covering 422 UTLX Tank Cars
and 68 UTLX Covered Hopper Cars]

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AMENDED AND RESTATED LEASE AGREEMENT
("Lease") dated as of February 15, 1982
between HGA Corporation, a Delaware corporation ("Owner"), and Union Tank Car Company, a Delaware Corporation ("Lessee").

WHEREAS, the Lessee, by Bill of Sale and Purchase Agreement dated November 13, 1981 transferred all of its right, title and interest to the railcars described in Exhibit A attached hereto (the "Property"), [which Property will qualify as "Qualified Lease Property" as defined in Section 168(f)(8)(D)(ii) of the Internal Revenue Code of 1954 (the "Code")] for a consideration equal to Lessee's Adjusted Basis on the date thereof;

WHEREAS, the Owner has leased the Property to the Lessee under a lease agreement dated November 13, 1981;

WHEREAS the Lessee, the Owner and certain institutional investors are entering into a Participation Agreement (the "Participation Agreement") dated on the date hereof;

WHEREAS the Owner and the Guarantor are entering into an Equipment Trust Agreement (the "Equipment Trust Agreement") with American National Bank and Trust Company of Chicago (the "Trustee"), pursuant to which equipment trust certificates (the "Trust Certificates") will be issued and sold to reimburse the Owner for a portion of the cost of the Property and the Owner will be obligated to make payments equal to the principal of and interest on the Trust Certificates out of rentals received hereunder and security title and interest in the Property will be conveyed to the Trustee until the Owner fulfills all its obligations under the Equipment Trust Agreement;

WHEREAS the Owner and the Lessee desire to amend and restate their lease agreement dated November 13, 1981; and

WHEREAS the Owner will assign this Lease to the Trustee pursuant to an Assignment of Lease and Agreement (the "Lease Assignment") substantially in the form attached to the Equipment Trust Agreement as Annex II, and the Lessee will consent to the Lease Assignment pursuant to a Consent and Agreement (the "Consent");

NOW THEREFORE, in consideration of the mutual agreements of the parties, the covenants hereinafter mentioned to be kept, the rentals to be paid, and the consideration herein provided, receipt of which is hereby acknowledged, the parties hereto agree that the above-mentioned lease agreement dated November 13, 1981 be and it hereby is amended and restated in its entirety as follows:

SECTION 1. DEFINITIONS

(a) The Terms defined in this Lease and in any agreement or instrument executed in connection herewith shall include the plural as well as the singular and the singular as well as the plural. Except as otherwise indicated, all the agreements or instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms hereof and thereof.

(b) In this Lease, unless the context otherwise requires, the following terms shall have the respective meaning set forth below:

Equipment Trust Agreement shall have the meaning set forth in the recitals hereto.

Bill of Sale shall mean the Bill of Sale dated November 13, 1981 transferring all of the Lessee's right, title and interest in and to each Item of Property to the Owner.

Casualty Value as of any Rent Payment Date shall mean an amount determined by multiplying the Lessee's Adjusted Basis set forth in Exhibit A-1 hereof for an Item of Property suffering an Event of Loss by the percentage specified in Schedule 2 attached hereto opposite the number of such Rent Payment Date.

Code shall mean the Internal Revenue Code of 1954, as amended, including, without limitation, the amendments adopted and enacted under the Economic Recovery Tax Act of 1981.

Event of Default shall mean any event specified in Section 14.1 to be an Event of Default.

Event of Loss shall have the meaning set forth in Section 12.2 hereof.

Interest Deduction shall have the meaning set forth in Section 19.4(a)(iii) hereof.

Investment Credit shall have the meaning set forth in Section 19.4(a)(i) hereof.

Item of Property shall mean any item of property or interest therein, however defined, which is a component of the Property.

Lease shall mean this instrument (including the Exhibits and the Schedules attached hereto).

Lease Term shall have the meaning set forth in Section 4.3 hereof.

Lessee's Adjusted Basis shall mean with respect to each Item of Property the amount set forth opposite the description of such Item of Property under the caption "Owner's Adjusted Basis" in Exhibit A-1 to the Purchase Agreement adjusted by any changes thereto determined under Sections 19.1 and 19.2 hereof.

Lien shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, or the filing of any financing statement, or agreement to give any security interest, under the Uniform Commercial Code of any jurisdiction, the Interstate Commerce Act or similar state or Federal law.

Owner's Adjusted Basis shall mean with respect to each Item of Property an amount which bears the same relation to the aggregate cash consideration paid by the Owner pursuant to Section 2(a) hereof, as the amount of Owner's Adjusted Basis with respect to such Item of Property bears to the total Owner's Adjusted Basis with respect to all Items of Property, as such amount is reduced from time to time by the amount of Recovery Deductions allowed or allowable under Section 168 of the Code.

Owner's Cost shall mean, with respect to each Item of Property, Owner's Adjusted Basis with respect thereto on November 13, 1981.

Person shall mean any individual, partnership, corporation, trust, incorporated association or joint venture, a government or any department or agency thereof, or any other entity.

Purchase Agreement shall mean the Purchase Agreement dated as of November 13, 1981, between the Lessee and the Owner.

Property shall mean all or any of the property of the Lessee described in Exhibits A-1 and A-2 hereto. If, and to the extent that, an Item of Property shall suffer an Event of Loss, and Casualty Value in respect of such Item of Property shall have been paid, Exhibits A-1 and A-2 hereto shall thereupon, without further action of the Owner or the Lessee, be deemed amended by striking the Item of Property subject to such Event of Loss from such Exhibits A-1 and A-2.

Recovery Deduction shall have the meaning set forth in Section 19.4(a)(ii) hereof.

Regulations shall mean proposed, temporary or final Regulations of the Secretary of the Treasury adopted or published under and pursuant to the Code.

Rent shall have the meaning set forth in Section 4.5 hereof.

Rent Payment Date shall mean with respect to each Item of Property each date of payment of Rent shown on Schedule 1 hereto, but if any such date is not a Business Day (as defined in the Equipment Trust Agreement) the Rent otherwise payable on such date shall then be payable on the next succeeding Business Day.

Schedule of Rent Payments shall mean the Schedule of Rent Payments attached as Schedule 1 hereto.

Tax Benefits shall mean and shall include, without limitation, Investment Credit, Recovery Deductions and Interest Deductions under any permanent financing

allowable under the Code for, or in respect of, each Item of Property.

SECTION 2. TRANSFER OF TAX BENEFITS

Execution of the lease agreement dated November 13, 1981, this Lease, the Bill of Sale and Purchase Agreement have caused and will cause the Owner to be treated for Federal income tax purposes (and for all other purposes) as the Owner of the Property and will cause certain Tax Benefits to be realized by the Owner and to be no longer available to the Lessee. In consideration for the sale of the Property pursuant to the Bill of Sale and Purchase Agreement dated as of November 13, 1981 and the execution of the lease agreement dated November 13, 1981 the Owner has paid to the Lessee the sum of \$21,030,683 at the time of execution of the Bill of Sale, Purchase Agreement and the lease agreement dated November 13, 1981.

SECTION 3. OPTION TO PURCHASE

At the end of the Lease Term, the Owner hereby agrees to sell to the Lessee and the Lessee agrees to purchase at a cash price of \$1, all of the Owner's right, title and interest in and to the Property; provided, however, that no such purchase and sale shall take place so long as any Trust Certificates remain outstanding under the Equipment Trust Agreement or any Event of Default hereunder shall have occurred and be continuing. Upon execution of all appropriate documents of sale at the end of the Lease Term, all Items of Property shall be deemed to be redelivered to the Lessee "as, where is" and this Lease shall be terminated.

SECTION 4. LEASE

4.1. Lease. By virtue of the characterizations and elections set forth herein, the Owner, as owner of each Item of Property, hereby leases each Item of Property to the Lessee for the Lease Term.

4.2. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Rent and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any

abatement of Rent or reduction thereof or setoff against Rent, including, but not limited to abatements, reductions or setoffs due or alleged to be due to any present or future claims of the Lessee against the Owner under this Lease or the Equipment Trust Agreement, including the Lessee's rights by subrogation against the Trustee or against any assignee of the Lessee pursuant to Section 17 hereof; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Owner or the Lessee be otherwise affected, by reason of any defect in title to any Item of Property or defect in or damage to or loss or destruction of all or any Item of Property from whatsoever cause, the taking or requisitioning of all or any Item of Property by condemnation or the interference with such use by any Person, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, any insolvency of or the bankruptcy, reorganization or similar proceeding against the Lessee, or lack of right, power or authority similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Rent and other amount payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 12.4 hereof. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease of all or any Item of Property except in accordance with the express terms hereof. Each Rent or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Owner or any holder of the Trust Certificates or the Trustee for any reason whatsoever.

4.3 Term of the Lease. The term of this Lease as to each Item of Property shall begin on November 13, 1981, and subject to the provisions of Sections 12.4 and 14, shall terminate as to such Item of Property upon the earlier of February 1, 2002, or upon the date of the next Rent Payment Date following the date of any Event of Loss with respect to any Item of Property.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Property are subject to the rights of the Trustee under the Equipment Trust Agreement, and, if an Event of Default should occur under the Equipment Trust Agreement, the Trustee may terminate this Lease (or rescind

its termination), all as provided therein; provided, however, that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Trustee is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment provided under Section 17 hereof.

4.4 Section 168(f)(8) Election. For Federal income tax purposes this Lease shall constitute an agreement with respect to "qualified leased property", as such term is defined in Section 168(f)(8)(D) of the Code. The Owner, as lessor, and the Lessee, as lessee, hereby agree (i) irrevocably to elect to have the provisions of Section 168(f)(8) of the Code to apply hereto and (ii) to file in timely manner the information returns and, if any, the amended returns or other documents specified in Section 5c.168(f)(8)-2 of the Regulations or in any subsequent Regulations which may apply to this transaction.

4.5 Rent. The Lessee shall pay to the Owner, on each Rent Payment Date during the Lease Term, Rent with respect to all Items of Property in the amount set forth in the Schedule of Rent Payments.

4.6 Place of Rent Payment. For so long as the Equipment Trust Agreement shall remain in effect, the Owner irrevocably instructs the Lessee to make all the payments due the Owner provided for in this Lease, other than amounts payable directly to the Owner pursuant to Section 7 or Section 11 hereof, to the Trustee, for the account of the Owner, in care of the Trustee, with instructions to the Trustee (a) first to apply such payments to satisfy the obligations of the Owner under the Equipment Trust Agreement due and payable on the date such payments are due and payable hereunder and (b) second, so long as no Event of Default (or event which, with notice or lapse of time or both, could constitute an Event of Default) under the Equipment Trust Agreement shall have occurred and be continuing, to pay any balance promptly to the Owner in immediately available funds at such address as the Owner shall specify in writing.

The Lessee agrees to make each payment contemplated by this Section 4.6 in immediately available funds at or prior to 12:00 p.m., Chicago time, at the Corporate Trust Office (as defined in the Equipment Trust Agreement) on the date due, or if the Equipment Trust Agreement shall no longer be in effect, at the office of the Owner.

SECTION 5. OWNERSHIP AND MARKING OF PROPERTY

5.1. Retention of Title. The Owner, as between the Owner and the Lessee, shall and hereby does retain full legal title to each Item of Property notwithstanding the possession and use thereof by the Lessee; it being understood, however, that the Owner has assigned title for security purposes to the Trustee pursuant to the Equipment Trust Agreement until such time as the trust created thereby shall have terminated in accordance with the provisions thereof.

5.2. Duty to Number and Mark Property. The Lessee will cause each Item of Property to be kept numbered with its road number as set forth in Exhibit A-2 hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Property in letters not less than 3/8th's inch in height as follows:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT RECORDED WITH THE INTERSTATE COMMERCE COMMISSION."

with appropriate changes thereof and additions thereto as from time to time may be required by law, in the reasonable opinion of the Trustee and the Owner, in order to protect the Trustee's and the Owner's title to and interest in such Item of Property, the Owner's rights under this Lease and the rights of the Trustee under the Equipment Trust Agreement. The Lessee will not place any such Item of Property in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Property except in accordance with a statement of new road numbers to be substituted therefor, which statement previously shall have been delivered to the Trustee and the Owner, by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

5.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Item of Property as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause any Item of Property to be lettered with the names

or initials or other insignia customarily used by the Lessee or its affiliates or sublessees on railroad equipment used by it of the same or a similar type for convenience of identification of the right of the Lessee to use any Item of Property under this Lease.

SECTION 6. DISCLAIMER OF WARRANTIES

THE LESSEE LEASES THE PROPERTY, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY EITHER THE OWNER OR OTHERWISE AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSES OR MERCHANTABILITY OF ANY ITEM OF PROPERTY, (B) THE TITLE THERETO, OR THE OWNER'S INTEREST THEREIN, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF, THE MATERIAL, ANY PART OF ANY ITEM OF PROPERTY OR WORKMANSHIP IN, ANY ITEM OF PROPERTY, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE OWNER AND THE LESSEE ARE TO BE BORNE BY THE LESSEE. THE OWNER HEREBY APPOINTS AND CONSTITUTES THE LESSEE ITS AGENT AND ATTORNEY-IN-FACT DURING THE LEASE TERM TO ASSERT AND ENFORCE, FROM TIME TO TIME, IN THE NAME AND FOR THE ACCOUNT OF THE OWNER AND THE LESSEE, AS THEIR INTERESTS MAY APPEAR, BUT IN ALL CASES AT THE SOLE COST AND EXPENSE OF THE LESSEE, WHATEVER CLAIMS AND RIGHTS THE OWNER MAY HAVE AGAINST ANY PERSON OTHER THAN THE LESSEE; PROVIDED, HOWEVER, THAT IF AT ANY TIME AN EVENT OF DEFAULT SHALL HAVE OCCURRED, THE OWNER MAY ASSERT AND ENFORCE, AT THE LESSEE'S SOLE COST AND EXPENSE, SUCH CLAIMS AND RIGHTS. THE OWNER SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO THE LESSEE OR ANY OTHER PERSON WITH RESPECT TO ANY OF THE FOLLOWING: (i) ANY LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY ANY ITEM OF PROPERTY OR BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN OR BY ANY OTHER CIRCUMSTANCES IN CONNECTION THEREWITH; (ii) THE USE, OPERATION OR PERFORMANCE OF ANY ITEM OF PROPERTY OR ANY RISKS RELATING THERETO; (iii) ANY INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATED PROFITS OR CONSEQUENTIAL DAMAGES; OR (iv) THE DELIVERY, PURCHASE, ACCEPTANCE, REJECTION, SALE, LEASING, RETURN, STORAGE, OPERATION, SERVICING, MAINTENANCE, REPAIR IMPROVEMENT OR REPLACEMENT OF ANY ITEM OF PROPERTY.

SECTION 7. LESSEE'S INDEMNITY

7.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Owner, the holders of the Trust Certificates, the Trustee and their respective successors, assigns, agents and servants (the "Indemnified Persons") from and against:

(a) any and all loss or damage to any Item of Property, reasonable wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any Indemnified Person (i) relating to any Item of Property or any part thereof, including, without limitation, the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of any Item of Property or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee, an Indemnified Person or otherwise), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Owner and/or the Lessee for itself or as agent or attorney-in-fact for the Owner hereunder, (iii) as a result of claims for patent, trademark or copyright infringements relating to any Item of Property, (iv) as a result of claims for negligence, intentional acts or strict liability in tort related to this Lease or any Item of Property, (v) any violation, or alleged violation, of any provision of this Lease or of any agreement, law, rule, regulation, ordinance or restriction affecting or applicable to the Property or the leasing, ownership, use, replacement, adaptation or maintenance thereof, (vi) any claim arising out of any of the Owner's obligations under the Lease Assignment, the Equipment Trust Agreement or the Participation Agreement; or (vii) any claim arising out of the Trustee's holding a security interest under the Equipment Trust Agreement or the Lease Assignment;

excluding, however, with respect to an Indemnified Person any matter resulting from an act or omission of the Indemnified Person which would constitute the wilful misconduct or gross negligence of such Indemnified Person (all of which matters indemnified against pursuant to the above being hereafter called the "Indemnified Matters").

7.2 Indemnity Payments. All payments under this Section 7 shall be made directly to the Indemnified Person. The Lessee shall be obligated under this Section 7, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same Indemnified Matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this Section 7 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this Section 7, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and Owner each agrees to give each other promptly upon obtaining knowledge thereof written notice of any Indemnified Matter. Upon the payment in full of any indemnities as contained in this Section 7 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) has occurred and is continuing, the Lessee shall be subrogated to any right of such Indemnified Person in respect the Indemnified Matter. Any payments received by such indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments or related expenses previously made in respect of such matter.

7.3 Continuation of Indemnities and Assumptions.

The indemnities and assumptions of liability contained in this Section 7 shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the Lease Term hereof in respect of any or all Items of Property, whether by expiration of time, by operation of law, or otherwise. None of the indemnities in this Section 7 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Lessee agrees at its expense to prepare and deliver to the Owner within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Owner) any and all reports (other than income tax returns) to be filed by the Owner with any Federal, state or other regulatory authority by reason of the ownership by the Owner or the Trustee of the Property or the leasing thereof to the Lessee.

The indemnities arising under this Section 7 shall not be deemed to operate as a guarantee of the payment of the principal of or interest on the Trust Certificates.

SECTION 8. RULES, LAWS AND REGULATIONS

The Lessee agrees for the benefit of the Owner and the Trustee to comply at all times during the Lease Term with all governmental laws, regulations, requirements, rules and executive and judicial orders (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto to the Mechanical Division, Association of American Railroads as the same may be in effect from time to time) with respect to the title, use and maintenance of each Item of Property (all such laws, regulations, requirements and orders to such extent being hereinafter called the "Applicable Laws"); provided, however, that the Lessee shall be under no obligation to so comply so long as it is contesting in good faith and by appropriate legal proceedings such Applicable Law, and such failure or compliance does not, in the reasonable opinion of the Owner or the Trustee, adversely affect the interest of either in any Item of Property under this Lease or the Equipment Trust

Agreement. In case any equipment or appliance is required to be altered, added, replaced or modified on any Item of Property in order to comply with Applicable Laws, the Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense and title thereto shall be immediately vested in the Owner. The Lessee agrees that, within thirty (30) days after the close of any calendar quarter in which the Lessee had made any such alteration, the Lessee will give written notice thereof to the Owner describing, in reasonable detail, such alteration and specifying the cost thereof with respect to each Item of Property and the date or dates when made. Notwithstanding the fact that title to such alteration shall be transferred to the Owner, the Lessee shall, to the extent permitted by applicable law, be entitled to claim the Investment Tax Credit and Recovery Deductions to which it would otherwise be entitled as owner of such alterations; if such Credit and/or Deductions are not, as a result of applicable law, available to the Lessee, the Lessee shall take whatever action may be necessary or appropriate to vest such Credit and/or Deductions in the Owner.

SECTION 9. USE AND MAINTENANCE OF PROPERTY

The Lessee shall use the Property only in the manner for which it was designed and intended, and so as to subject it only to reasonable wear and tear. The Lessee shall, at its own cost and expense, maintain and keep each item of Property in good order, condition and repair, reasonable wear and tear excepted, and qualified for use in interchange. Except as required by the provisions of Section 8 hereof, the Lessee shall not modify any Item of Property without the prior written authority and approval of the Owner which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon any Item of Property pursuant to Section 8 hereof or pursuant to its obligation to maintain and keep each Item of Property in good order, condition and repair under this Section 9 shall be considered accessions to such Item of Property and title thereto shall immediately be vested in the Owner without cost or expense to the Owner. The Lessee shall make no other additions or improvements to any Item of Property unless the same are readily removable without causing material damage to such Item of Property. Title to any such readily removable additions or improvements shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable

additions or improvements to be made to any Item of Property, the Lessee agrees that it will, prior to the return of such Item of Property to the Owner hereunder, remove the same at its own expense without causing material damage to such Item of Property.

SECTION 10. LIENS ON THE PROPERTY

The Lessee shall pay or satisfy and discharge any and all claims against or affecting any Item of Property, which if uncured, might constitute or become a Lien or a charge upon any Item of Property, and any Liens or charges which may be levied against or imposed upon any Item of Property as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease or otherwise, and any other Liens or charges which arise by virtue of claims against, through or under any party other than the Owner or the Trustee, but the Lessee shall not be required to pay or discharge any such claim so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Owner or the Trustee in and to the Property. The Lessee's obligations under this Section 10 shall survive the termination of this Lease.

SECTION 11. FILING; PAYMENT OF TAXES

11.1. Filing. The Lessee will, at its sole expense, cause this Lease, the Equipment Trust Agreement and the Lease Assignment to be duly filed, registered, recorded or deposited with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303 and in such other places within or without the United States as the Owner and the Trustee may reasonably request and will furnish the Owner and the Trustee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Owner or the Trustee for the purpose of protecting the Owner's and the Trustee's respective interests in any Item of Property to the satisfaction of the Owner's or the Trustee's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Owner and the Trustee proof of such filings and an opinion of the

Lessee's counsel that such action has been properly taken. The Lessee shall pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action, and shall provide an opinion of counsel as to the proper recordation or filing of such instrument.

11.2 Payment of Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Lessee agrees to pay, and to indemnify and hold the Owner, the Trustee, the holders of Trust Certificates and the estate held in trust by the Trustee under the Equipment Trust Agreement ("Indemnitees") harmless from all taxes (income, gross receipts, franchise, sales, use, property [real or personal, tangible or intangible] and stamp taxes), assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Owner, the Trustee, the holders of Trust Certificates, the Lessee, the trust estate created by the Equipment Trust Agreement or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Item of Property or any part thereof; the manufacture, purchase, ownership, delivery, leasing, subleasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom or value added thereto; this Lease, the Lease Assignment, the Consent, the Equipment Trust Agreement, the Participation Agreement, the Trust Certificates or the issuance thereof under the Equipment Trust Agreement, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to the property by the Owner or by the Trustee under the Equipment Trust Agreement (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Impositions"); excluding, however: (i) Impositions of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is currently allowed a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Owner (in its individual capacity), the holders of Trust Certificates or the Trustee (in its individual capacity) or franchise taxes measured by the net income

of the Owner, the holders of Trust Certificates or the Trustee, other than Impositions arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease or the Participation Agreement; (ii) any Impositions imposed as a direct result of a voluntary transfer or other voluntary disposition by the Owner or any transfer or disposition by the Owner resulting from bankruptcy or other proceedings for the relief of creditors in which the Owner is the debtor, whether voluntary or involuntary, of any interest in any Item of Property or interest in Rent under this Lease without the consent of the Lessee, unless, in each case, such transfer or disposition is required or contemplated by this Lease or an Event of Default shall have occurred and be continuing; and (iii) any Impositions imposed on or measured by any trustee fees received by the Trustee; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of any Indemnatee, adversely affect the interest of any Indemnatee hereunder or under the Lease Assignment, the Consent or the Equipment Trust Agreement. If any Impositions shall have been charged or levied against any Indemnatee directly and paid by such Indemnatee after such Indemnatee shall have given written notice thereof to the Lessee and the same shall remain unreimbursed for a period of ten (10) business days thereafter, the Lessee shall reimburse such Indemnatee on presentation of an invoice therefor. Prior to making payment of any Imposition, such Indemnatee shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event that the Owner shall become obligated to make any payment to the Trustee or otherwise pursuant to any corresponding provision of the Equipment Trust Agreement not covered by the foregoing paragraph of this Section 11.2, the Lessee shall pay such additional amounts (which shall also be deemed Impositions hereunder) to the Owner to fulfill completely its obligations pursuant to said provision.

In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Property, the Lessee will either prepare and file such reports in such manner as to show, as required, the interest of each Indemnatee in such Items of Property or, if

it shall not be permitted to file the same, it will notify each Indemnatee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnatee and deliver the same to each Indemnatee within a reasonable period prior to the date the same is to be filed.

In the event that, during the Lease Term, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during the Lease Term) which the Lessee is or will be obligated to pay or reimburse pursuant to this Section 11.2, such liability shall continue, notwithstanding the expiration or termination of the Lease Term for any reason whatsoever, until all such Impositions are paid or reimbursed by the Lessee.

The Lessee shall furnish promptly, upon request, such information and data as is normally available to the Lessee and which the Owner or the Trustee reasonably may require to permit compliance with the requirements of any taxing authorities.

SECTION 12. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE

12.1 Insurance. The Lessee agrees that it will at all times during the Lease Term and during any return and storage period hereunder and at its own cost and expense keep each Item of Property insured against such risks and in such amounts as are customarily insured against by similar companies, and in any event insured in the same manner and to the same extent that the Lessee insures other similar equipment which it owns or leases, and will maintain general public liability insurance with respect to each Item of Property against the damage because of bodily injury, including death, or damage to property of others, such insurance to afford protection to the limit of not less than \$210,000,000 in the aggregate in any single occurrence. Any such property insurance may have deductible provisions to no greater extent than \$2,000,000 in the aggregate in any single occurrence, and any public liability insurance may have deductible provisions to no greater extent than \$2,000,000 in the aggregate in any single occurrence. All such insurance shall cover the interest of the Owner, the Lessee and the Trustee in the Property or, as the case may be, shall protect the Owner, the Lessee and the Trustee in respect of risks arising out of the condition, maintenance, use, ownership and operation of the Property and shall provide that losses, if any,

in respect of the Property shall, subject to the following provisions of this Section 12.1, be payable to the Owner, the Trustee and, so long as there shall be no Event of Default hereunder, the Lessee as their respective interests may appear. All policies of insurance maintained pursuant to this Section shall (i) provide that thirty (30) days' prior written notice of cancellation or other material change shall be given to the Owner and the Trustee, (ii) name the Trustee and the Owner as additional named insureds as their respective interests may appear and (iii) waive any rights to claim any premiums or commissions against the Trustee and the Owner. In the event such policies shall contain breach of warranty provisions, such policies shall provide that in respect of the interests of the Trustee and the Owner in such policies the insurance shall not require contributions from other policies held by the Trustee or the Owner and shall not be invalidated by any act or neglect of the Lessee or any other person (other than the Trustee or the Owner, respectively) and shall insure the Trustee and the Owner regardless of any breach or violation of any warranty declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee or the Owner respectively.) The Lessee agrees that the Trustee and the Owner shall not be held liable for insurance premium payments or deductible loss amounts under such policies. The loss, if any, shall be adjusted only with the approval of the Lessee, the Trustee and the Owner. All such policies shall provide that the loss, if any, thereunder shall be adjusted and paid as provided in this Lease. The Lessee shall further furnish the Trustee and the Owner with certificates or other satisfactory evidence of maintenance of the insurance required hereunder, and with respect to any renewal policy or policies shall furnish certificates or other satisfactory evidence of maintenance of the insurance required hereunder, and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration of the original policy or policies. All insurance provided for in this Section shall be maintained with insurance companies approved by the Trustee and the Owner which approval shall not be unreasonably withheld.

The proceeds of any property insurance received by the Trustee or the Owner will be paid to the Lessee either (i) upon a written application signed by the Lessee for payment of, or to reimburse the Lessee for payment of, the costs of repairing, restoring or replacing the Item of Property which has been lost, damaged or destroyed (which

application shall be accompanied by satisfactory evidence of such cost and the completion of such repair, restoration or replacement) or (ii) if this Lease is terminated with respect to such Item of Property because of the loss, damage or destruction thereof promptly upon payment by the Lessee of the Casualty Value; provided, however; that, if the Lessee is at the time of the application in default in the payment of any other liability of the Lessee to the Trustee or the Owner hereunder, such proceeds may be applied against such liability.

12.2. Duty of the Lessee to Notify the Trustee and the Owner. In the event that any Item of Property shall be or become lost, stolen, destroyed or, in the reasonable opinion of the Lessee, irreparably damaged during the Lease Term or thereafter while such Item of Property is in the possession of the Lessee, or title or use thereof shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the Lease Term for a stated period which exceeds the then remaining term of this Lease (any such occurrence being hereinafter called an "Event of Loss"), the Lessee shall promptly and fully (after it has knowledge of such Event of Loss) inform the Trustee and the Owner in regard thereto and shall pay the Casualty Value of such Item in accordance with the terms of Section 12.3 hereof.

12.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding Rent Payment Date following its knowledge of an Event of Loss with respect to any Item of Property, shall pay to the Trustee or the Owner the Rent due on such Rent Payment Date for any such Item of Property plus any other sums due on or prior to such date then remaining unpaid plus a sum equal to the Casualty Value of any such Item of Property as of such Rent Payment Date.

12.4. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 12.3 hereof in respect of any Item of Property, the obligation to pay Rent for such Item of Property accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay Rent for all other Items of Property.

12.5. Disposition of Property. The Lessee shall, as agent for the Owner dispose of such Item of Property having suffered an Event of Loss as soon as it is able to do so for the fair market value thereof. Any such disposition

shall be on an "as-is", "where-is" basis without representation or warranty, express or implied. As to each separate Item of Property so disposed of the Lessee may, so long as no Event of Default shall have occurred and be continuing hereunder and so long as the Lessee has complied with the provisions of Section 12.3 hereof, retain all amounts arising from such disposition plus any insurance proceeds and damages received by the Lessee by reason of such Event of Loss plus any requisition or condemnation or awards attributable thereto. In disposing of such Item of Property, the Lessee shall take such action as the Trustee or the Owner shall reasonably request to terminate any contingent liability which the Trustee or the Owner might have arising after such disposition from or in connection with such Item of Property.

12.6. Casualty Value. The Casualty Value of each Item of Property shall be an amount determined as of the date of the Event of Loss equal to that percentage of the Lessee's Adjusted Basis for such Item of Property, as set forth in Exhibit A-1 hereto, set forth in the schedule of Casualty Value Percentages attached hereto as Schedule 2 opposite such date of payment.

12.7. Risk of Loss. The Lessee shall bear the risk of loss with respect to the Property and, except as hereinabove in this Section 12 provided, shall not be released from its obligations hereunder in the event of any Event of Loss to any Item of Property from and after the date thereof and continuing until payment of the Casualty Value and all Rent and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Property have been made.

12.8. Eminent Domain. In the event that during the Lease Term, the use of any Item of Property is requisitioned or taken by any governmental authority or otherwise under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the Lease Term, the Lessee's obligation to pay Rent and other sums due hereunder shall continue. So long as no Event of Default has occurred and/or is continuing, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 13. ANNUAL REPORTS

13.1 Duty of Lessee to Furnish. On or before April 1, 1983, and annually thereafter, the Lessee will furnish to the Trustee and the Owner an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Property then leased hereunder, the amount, description and numbers of all Items of Property that may have suffered an Event of Loss during the twelve (12) months ending on such December 31 (or since November 13, 1981, in the case of the first such statement) and such other information regarding the condition or repair of any item of the Property as the Trustee and the Owner may reasonably request and (b) stating that all Items of Property then leased hereunder are covered by the insurance required to be maintained pursuant to Section 12.1 hereof (identifying the scope of all such coverage and the insurance carrier or carriers), and that, in the case of all Property repainted during the period covered by such statement, the markings required by Section 5.2 hereof and the Equipment Trust Agreement shall have been preserved or replaced.

13.2. Inspection Rights. The Trustee and the Owner shall have the right, at their respective sole cost and expense, by their respective authorized representatives, to inspect the Property and the Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Property during the Lease Term.

SECTION 14. DEFAULT

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) default shall be made in the payment of any part of the Rent or other sums due hereunder and such default shall continue for five (5) days;

(b) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or of possession of any Item of Property;

(c) default shall be made in the observance or performance of any of the covenants, conditions and agreements on the part of the Lessee contained in Section 12 of this Lease;

(d) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein, in the Participation Agreement, the Consent, the Bill of Sale and Purchase Agreement and such default shall continue for thirty (30) days after written notice from the Owner shall have been received by the Lessee pursuant to personal service thereof or by certified or registered mail, specifying the default and demanding the same to be remedied;

(e) any representation or warranty made by the Lessee herein or in the Bill of Sale and Purchase Agreement, the Participation Agreement or in any statement or certificate furnished to the Trustee or the Owner pursuant to or in connection with this Lease, the Bill of Sale or the Participation Agreement is untrue in any material respect as of the date of issuance or making thereof;

(f) a petition for reorganization under the bankruptcy, insolvency or similar act, as now constituted or as hereafter amended or enacted, shall be filed by or against the Lessee, and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings or otherwise given a status comparable to the obligations incurred by such trustee or trustees within thirty (30) days after such appointment, if any, or sixty (60) days after such petition shall have been filed, whichever shall be earlier;

(g) any other proceeding shall be commenced by or against the Lessee for any relief under any bankruptcy, insolvency or similar law, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings or otherwise given a status comparable to obligations incurred by such trustee or trustees or

receiver or receivers, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings have been commenced, whichever shall be earlier;

(h) the Lessee shall be in default under any material obligation for the payment of borrowed money or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering real or personal property required for the continued operation of the Lessee, and all remedies in respect of such default shall not then be stayed pursuant to the terms of the contract governing such obligations; or

(i) an Event of Default set forth in Article Five of the Equipment Trust Agreement shall have occurred arising out of any default by the Lessee in performing any of its obligations hereunder or under the Participation Agreement.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Owner at its option, may:

(a) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; or

(b) by notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Property shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Owner may by its agents enter upon the premises of the Lessee or other premises where any of the Property may be located and take possession of all or any of the Items of Property and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Owner shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the Rent for any number of days less than a full rental period by multiplying the Rent for such full rental period by a fraction the numerator of which is such number of days and the denominator of

which is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Owner in its sole discretion, shall specify: (a) a sum with respect to each Item of Property which represents the excess of the present worth, at the time of such termination, of all Rent for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the Lease Term over the then present worth of the then Fair Rental Value (as hereinafter defined) of such Item for such period computed by discounting from the end of such Term to the date of such termination rentals which the Owner reasonably estimates to be obtainable for the use of such Item during such period, such present worth to be computed in each case on a basis of five per centum (5%) per annum discount, compounded quarterly from the respective dates upon which Rents would have been payable hereunder had this Lease not been terminated, or (b) an amount equal to the excess, if any, of the Casualty Value of such Item of Property as of the Rent Payment Date on or immediately preceding the date of termination over the amount the Owner reasonably estimates to be the Fair Market Value (as hereinafter defined) thereof at such time; provided, however, that in the event the Owner or the Trustee shall have sold any Item of Property, such party, in lieu of collecting any amounts payable thereto by the Lessee pursuant to the preceding clauses (a) and (b) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay such party and the Lessee shall pay to such party, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Property as of the Rent Payment Date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages or expenses, other than for a failure to pay Rent, in addition thereto, including reasonable attorneys' fees, which the Owner shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of Rent.

For purposes of this Section 14.2, the "Fair Rental Value" for any Item of Property shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently

in possession) and an informed and willing lessor under no compulsion to lease. If the Owner and the Lessee are unable to agree upon a determination of the Fair Rental Value of such Item of Property, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean two independent appraisers, one chosen by the Owner and one chosen by the Lessee, or if such appraisers cannot agree on the amount of such Value, determined on the basis of an appraisal made by a third appraiser chosen by the American Arbitration Association. The Appraiser shall be instructed to make such determination within a period of thirty (30) days following appointment, and shall promptly communicate such determination in writing to the Owner and the Lessee. The determination so made shall be conclusively binding upon both the Owner and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee. The "Fair Market Value" for any Item of Property shall be determined in a similar manner with appropriate adjustments for sale rather than rental, with any appraisal expenses to be borne by the Lessee; provided, however that any sale in a commercially reasonable manner of any Item of Property prior to any such determination shall conclusively establish the Fair Market Value of such Item, and any rental in a commercially reasonable manner of any Item of Property prior to any such determination shall conclusively establish the Fair Rental Value of such Item.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Owner shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the Rent due hereunder, and agrees to make the Rent regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Property.

14.4. Failure to Exercise Rights. The failure of the Owner to exercise the rights granted to it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any right upon the continuation or recurrence of any such contingencies or otherwise.

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Owner and the Trustee promptly upon any responsible officer becoming aware of any condition which constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof and indicating the intention or expectation of the Lessee as to the disposition thereof. For the purposes of this Section 14.5 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 15. RETURN OF PROPERTY UPON DEFAULT

15.1. Lessee's Duty to Return. If this Lease shall terminate pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Property to the Owner. For the purpose of delivering possession of any Item of Property to the Owner as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) forthwith place such Property in such reasonable storage place as the Owner may designate or, in the absence of such designation, as the Lessee may select;

(b) permit the Owner to store such Property in such reasonable storage place without charge for insurance, rent or storage until such Property has been sold, leased or otherwise disposed of by the Owner; and/or

(c) transport the Property to any place all as the Owner may direct in writing.

Each Item of Property returned to the Lessee pursuant to this Section 15 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any part, addition or improvement title to which is vested in the Owner pursuant to Section 8 hereof and have removed therefrom, at the expense of the

Lessee any readily removable addition or improvement title to which is vested in the Lessee pursuant to Section 9 hereof, and (iii) meet the applicable standards then in effect for such Item of Property under all governmental laws, regulations, requirements and rules (including without limitation, rules of the United States Department of Transportation, the Interstate Commerce Commission, and interchange rules or supplements thereto of the Association of American Railroads).

Until the date on which an Item of Property is assembled, delivered and stored as hereinabove provided, the Lessee shall pay the Owner in addition to the payments required hereunder an amount per day equal to one hundred and fifty percent (150%) of the daily Rent for each such Item hereunder.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Property as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Owner shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Property.

15.3. The Owner Appointed the Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Owner as the agent and attorney-in-fact of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Property to the Owner, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall at the time be in possession of such Item.

SECTION 16. ASSIGNMENTS BY THE OWNER

This Lease and all Rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Owner without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Owner other than the Trustee except upon written notice of such assignment from the Owner received by the Lessee by personal service or by certified or registered mail. Upon notice to the Lessee of any such assignment, the Rent and

other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of any assignee. The Lessee acknowledges the assignment made by the Lease Assignment and agrees to make Rent payments to the Trustee as provided in Section 4.6.

SECTION 17. ASSIGNMENTS BY THE LESSEE; USE AND POSSESSION

17.1. Lessee's Rights to the Property. (a) So long as (i) no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Trustee is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, the Lessee shall be entitled to the possession and use of the Property in accordance with the terms of this Lease, but, without the prior written consent of the Owner and the Trustee, the Lessee shall not assign, transfer or encumber its interest under this Lease in any of the Property except as to any Liens or encumbrances created hereunder or to the extent permitted by the provisions of Section 17.2. The Lessee shall not, without the prior written consent of the Owner and the Trustee part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Property, except to the extent permitted by the provisions of this Section 17.

(b) The Lessee shall not use, and shall not permit or suffer the use of, any Item of Property outside the United States of America, except for de minimus use in Canada. No assignment, sublease or permitted use shall relieve the Lessee of any of its obligations, liabilities or duties hereunder, which shall be and remain those of a principal and not surety.

17.2. Permitted Subleases. Subject to the provisions of Section 17.1(b) hereof and without abrogating any obligation of the Lessee hereunder, the Lessee may sublease any Item of Property in accordance with its normal business practices so long as such sublease does not constitute a lease pursuant to Section 168(f)(8) of the Code or the regulations thereunder.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease,

shall be entitled (subject to the rights of the Owner or the Trustee upon the happening of an Event of Default) to the possession of each Item of Property included in such sublease and the use thereof, and may provide for lettering or marking upon such Property for convenience of identification of the leasehold interest of such sublessee therein. Every such sublease shall expressly subject the rights of the sublessee under any such sublease to the rights of the Owner and the Trustee hereunder and under the Equipment Trust Agreement.

SECTION 18. INTEREST ON OVERDUE RENTALS

Anything to the contrary herein contained notwithstanding, any nonpayment of Rent due hereunder shall result in the additional obligation on the part of the Lessee to pay also an amount equal to eighteen percent (18%) per annum (or the highest lawful rate, whichever is less) on the overdue rentals for the period of time during which they are overdue.

SECTION 19. FEDERAL INCOME TAX INDEMNIFICATION

19.1. Redetermination of Adjusted Basis. (a) If at any time it shall be determined that (A) the actual adjusted basis of the Lessee with respect to any Item of Property is less than Lessee's Adjusted Basis set forth with respect to such Item of Property in Exhibit A-1, or (B) any Item of Property does not constitute "qualified leased property" as defined in Section 168(f)(8) of the Code, then the Lessee's Adjusted Basis as set forth in Exhibit A-1 to the Purchase Agreement, and the amount paid as provided in Section 2(a) shall, without further action by the parties hereto, be adjusted to reflect such lower amount, as of the date of this Lease. The resulting deduction in the amount provided in Section 2(a) shall be repaid by the Lessee to the Owner promptly upon such determination, together with interest at a rate per annum equal to eighteen percent (18%) (or the highest lawful rate, whichever is less). The parties may execute and deliver amendments to this Agreement and such other instruments and documents as they may agree in order to evidence and reflect such adjustments, it being agreed that no such execution and delivery is necessary to effect such adjustments.

(b) If at any time prior to the filing of the Owner's Federal income tax return for the taxable year

including the date of this Lease as originally executed it shall be determined that the actual adjusted basis of the Lessee with respect to any Item of Property is greater than the Lessee's Adjusted Basis set forth with respect to such Item of Property in Exhibit A-1, the Owner shall pay to the Lessee the amount of such excess and the Rent due hereunder shall be increased proportionately as of the date of this Lease. The parties shall promptly execute and deliver amendments to this Lease and such other instruments and documents as they may agree in order to evidence and reflect such adjustments, it being agreed that no such execution and delivery is necessary to effect such adjustments.

19.2. Tax Representations of the Lessee. The Lessee represents and warrants to the Owner as follows:

(a) Warranty as to Tax Benefits. Upon the execution and delivery of this Lease, the Owner will acquire the full and valid right to claim and have the Tax Benefits, subject to the terms and conditions of this Lease, and the Lessee will take any and all action required to defend the Owner's right to claim and have the same.

(b) Federal Tax Characteristics of the Property. Each Item of Property is "qualified leased property" within the meaning of Section 168(f)(8)(D) of the Code, except that the Lessee makes no representation or warranty with respect to the qualification of the Property under Section 168(f)(8)(D)(ii)(III) of the Code, and further, is "10-year property" within the meaning of Section 168(c)(2)(B) of the Code with respect to which Recovery Deductions in the respective percentages of the Owner's Cost set forth in Section 168(b)(1)(A) of the Code are allowable in each recovery year. the Lessee's Adjusted Basis of each Item of Property, for purposes of Section 168(f)(8)(D)(ii)(III) of the Code, is not less than the the Lessee's Adjusted Basis, as herein defined. Each Item of Property identified in Exhibit A-2 hereto is "new Section 38 property" within the meaning of Section 48(b) of the Code and an amount equal to 10% of the Owner's Cost constitutes the amount of the Investment Credit allowable under Section 46 of the Code. Each Item of Property was, but for the provisions of Section 168(f)(8)(D) of the Code, placed in service by the Lessee after December 31, 1980, and on or before the date hereof. The Lease Term does not exceed the greater of ninety percent (90%) of the useful life of each Item of Property for purposes of Section 167 of the Code, or one hundred fifty percent (150%) of the present

class life of any Item of Property within the meaning of Section 168(f)(8)(B)(iii)(I) or (II) of the Code.

(c) Assuming the accuracy of the Owner's representations, all of the requirements of Section 168(f)(8)(B) of the Code have been met on the date hereof for each Item of Property.

(d) Neither the Lessee nor any Person claiming through the Lessee has claimed or will claim the Investment Credit, Recovery Deductions or any other attributes of tax ownership as to any Item of Property with respect to any period prior to the date hereof.

19.3. Tax Covenants of the Lessee. The Lessee covenants and agrees with the Owner as follows:

(a) Amendment to Conform to Regulations. If hereafter Regulations are published under the Code which apply to the transaction contemplated by this Lease and which are, for any reason and in any respect, contrary to, or inconsistent with, the terms and provisions of this Lease, and in particular but not limited to the tax assumptions set forth in Section 19.4(a) hereof, or clarify or make more certain the fulfillment of the objectives sought to be attained by the parties hereto, and, in consequence thereof, the parties hereto are required or permitted to amend or modify this Lease to conform to, or comply with, such Regulations or amendments, the Lessee agrees to execute and deliver such amendments and modifications hereof as shall be required or desirable in order to preserve or obtain for the respective parties hereto the rights and benefits which each seeks in the execution hereof but no such amendment shall adversely affect the interests of the Trustee hereunder or under the Equipment Trust Agreement.

(b) Restriction on Transfer or Use. So long as this Lease shall be in effect, no Item of Property shall be transferred or otherwise disposed of or delivered by the Lessee to, nor shall the Lessee permit the use of any Item of Property by, (i) an organization which is exempt from the tax imposed by Chapter 1 of Subtitle A of the Code, (ii) the United States, any state or political subdivision thereof, any international organization, or any agency or instrumentality of any of the foregoing, or (iii) any other Person, if, in any such case, in consequence of such transfer, disposition or use any such Item of Property shall cease to be treated as "Section 38 property" under the Code.

(c) Consistent Tax Returns. The Lessee agrees that neither the Lessee nor any affiliate of the Lessee will at any time take any actions, directly or indirectly, or file any returns or other documents inconsistent with the assumptions set forth in Section 19.4(a) hereof.

19.4. Special Tax Idemnity.

(a) Tax Assumptions. This Lease has been entered into on the assumptions that the Owner, as the party entitled to claim the Tax Benefits, will be entitled to take into account certain credits, deductions and other benefits as are provided by the Code, including, without limitation:

(i) the investment credit (the "Investment Credit") for each Item of Property, in an amount equal to 10% of the Owner's Cost of such Item of Property in the Owner's taxable year which includes the date hereof (the "Current Taxable Year"); and

(ii) recovery deductions (the "Recovery Deductions") under Section 168(a) of the Code for each Item of Property, in an amount determined, commencing with the Owner's Current Taxable Year, by multiplying the Owner's Cost of such Item of Property by the percentages applicable under Section 168(b)(1)(A) of the Code with respect to "10-year property" within the meaning of Section 168(c)(2)(B) of the Code.

The Owner will claim the Investment Credit on its Federal income tax return for its Current Taxable Year and the Recovery Deductions, and the Interest Deductions on its Federal income tax returns in each year commencing with its Current Taxable Year.

(b) Indemnification. If because of any act or omission to act of the Lessee, or because of any nonconformity or noncompliance with any of the Lessee's representations, warranties and agreements set forth in Section 19.2 or 19.3 above, the Owner shall not be allowed for any taxable year (or portion thereof) to take into account the Investment Credit, the Recovery Deductions or the Interest Deductions, or other Tax Benefits provided by the Code under the assumptions set forth above in this Section 19.4, or if all or any

portion of the Investment Credit or the Recovery Deduction is recaptured pursuant to Section 47 or Section 1245 of the Code or any other similar provision (any such nonallowance or recapture being referred to hereafter as a "Loss"), then the Lessee will pay to the Owner an amount which, after reduction by all income taxes required to be paid by the Owner in respect of the receipt of such amount, shall be sufficient to maintain the pretax yield, after-tax cash flows and net present value after-tax cash, computed using a discount rate of 5% per annum, which the Owner would have realized but for such Loss. The Owner shall provide a calculation of such amount. All amounts payable to the Owner hereunder shall be paid promptly, and in any event within 15 days after receipt the Lessee of a written demand therefor, accompanied by a written statement describing in reasonable detail the related Loss and the computation of the amount so payable.

(c) Contest of Disallowance of Tax Benefits. In the event a claim shall be made at any time by the Internal Revenue Service which, if successful, would require the Lessee to indemnify the Owner under paragraph (b) of this Section, the Owner hereby agrees to take such action in connection with contesting such claim, in good faith and forceful manner, as the Lessee shall reasonably request in writing from time to time; provided, however, that (i) within 30 days after notice by the Owner to the Lessee of such claim, the Lessee shall request that such claim be contested; (ii) prior to taking such action, the Lessee shall have furnished the Owner with an opinion of independent tax counsel satisfactory to the Owner to the effect that a meritorious defense exists to such claim; (iii) the Lessee shall have indemnified the Owner in a manner satisfactory to the Owner for any liability or loss which the Owner may incur as the result of contesting such claim and shall have agreed to pay the Owner on demand an amount which, after payment of all taxes incurred in respect of the receipt thereof, less any taxes saved by the deduction thereof, shall be equal to all costs and expenses which the Owner may incur in connection with contesting such claim, including without limitation, reasonable attorney's and accountants' fees and disbursements, and the amount of any interest or penalty which may ultimately be payable as a result of contesting such claim; (iv) the Owner shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the Internal Revenue Service in respect of such claims and may, at its sole

option, either pay the tax claimed and sue for a refund or contest the claim in any permissible forum considering, however, in good faith such request as the Lessee shall make concerning the most appropriate forum in which to proceed; and (v) if the Owner shall have elected hereunder to pay the tax claimed and then seek a refund, the Lessee will provide the Owner with sufficient funds on an interest free basis, to pay the tax. If any such claim referred to above shall be made by the Internal Revenue Service and the Lessee shall have reasonably requested the Owner to contest such claim as above provided and shall have duly complied with all of the terms of this paragraph, the Lessee's liability for indemnification shall become fixed upon final determination of the liability of the Owner. At such time the Lessee shall become obligated for the payment of any indemnification hereunder resulting from the outcome of such contest, and the Owner shall become obligated to pay to the Lessee any refund received. The obligations of the Owner and the Lessee will first be set off against each other and difference owing by either party shall be paid within 30 days after such final determination. If in connection with such final determination the Owner received a refund of tax, any interest also received by the Owner and fairly attributable to such refund of tax will be paid over to the Lessee. In the case of any such claim by the Internal Revenue Service referred to above, the Owner agrees promptly to notify the Lessee in writing of such claim and agrees not to make payment of the tax claimed nor to consent to the assessment of any deficiency relating to such claim for at least 30 days after giving of such notice and agrees to give the Lessee any relevant information relating to such claim which may be particularly within the knowledge of the Owner and otherwise to cooperate with the Lessee in good faith in order to contest any such claim effectively.

19.5. Survival. All of the Owner's rights and privileges arising from the indemnities contained in this Section 19 shall survive the expiration or other termination of this Lease with respect to any or all Items of Property and such indemnities are expressly made for the benefit of, and shall, subject to Section 19.6 hereof, be enforceable by, the Owner, its successors and assigns, including the Trustee. All of the Lessee's rights and privileges contained in this Section 19 shall survive the expiration or other termination of this Lease with respect to any or all Items of Property and such rights and privileges shall be enforceable by the Lessee, its successors and assigns. All of the Lessee's rights and privileges contained in this Section 19 shall survive the expiration or other termination of this Lease

with respect to any or all Items of Property and such rights and privileges shall be enforceable by or against the Lessee, its successors and assigns.

19.6. Owner's Rights. Anything herein to the contrary notwithstanding, the rights of the Owner pursuant to this Section 19 shall inure to the sole and exclusive benefit of the Owner (and not the Trustee) unless the Owner shall otherwise agree in a separate written instrument.

SECTION 20. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE LESSEE

20.1. Representations and Warranties. The Lessee represents, warrants and agrees with the Owner that:

(a) Due Organization. The Lessee is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware and has the power and authority to carry on its business as presently conducted, to transfer the Property and the Tax Benefits, to own or hold property under lease and to enter into and perform its obligations under the Bill of Sale, the Purchase Agreement and under this Lease. The Lessee has not failed to qualify to do business in any jurisdiction where failure so to qualify could materially and adversely affect its financial condition or its ability to perform any of its obligations under this Lease.

(b) Due Authorization. The execution, delivery and performance by the Lessee of this Lease, the Bill of Sale and the Purchase Agreement have been duly authorized by all necessary corporate action on the part of the Lessee.

(c) Due Execution. This Lease, the Bill of Sale and the Purchase Agreement have been duly executed and delivered by the Lessee and constitute the legal, valid and binding obligations of the Lessee, enforceable against the Lessee in accordance with their terms.

(d) No Violation. Neither the execution or delivery of this Lease, nor the consummation of the transactions contemplated hereby, nor the performance by the Lessee of its respective obligations hereunder, violates or will violate any law, governmental rule or regulation or any judgment, order or decree of any court, administrative agency or other governmental authority, or conflicts or will

conflict with, or results or will result in a breach of any of the terms, conditions or provisions of, or constitutes or will constitute a default under, or results or will result in the creation or imposition of any Lien upon any of the properties or assets of the Lessee pursuant to its Certificate of Incorporation or By-laws or any agreement or instrument to which the Lessee is subject or is a party or by which it or any of its properties are bound, or requires or will require the consent or approval of any trustee or holders of indebtedness or obligations of the Lessee, except such as have been duly obtained and copies of which have been delivered to the Lessee.

(e) No Registration, etc. No consent or approval of, giving of notice to, registration with, or taking of any action in respect of or by, any Federal, state or local governmental authority or agency or other Person is or will be required in connection with the execution, delivery or performance by the Lessee of, or the consummation by the Lessee of the transactions contemplated by this Lease, except such as have been duly obtained, given or accomplished.

(f) Title to Property. Immediately prior to the execution of the lease agreement dated November 13, 1981, the Bill of Sale and the Purchase Agreement, the Lessee was the owner of each Item of Property, free and clear of all Liens, except (A) Liens for taxes either not yet due or which are being contested in good faith with due diligence and by appropriate proceedings, and (B) inchoate materialmen's, mechanics', carriers', warehousemen's or other like Liens arising in the ordinary course of business of the Lessee. The Lessee will indemnify and save harmless the Owner from and against any of the foregoing.

SECTION 21. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE OWNER

21.1. Representations and Warranties. The Owner represents, warrants and agrees with the Lessee that:

(a) Due Organization. The Owner is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware and has the power and authority to carry on its business as presently conducted, to purchase the property and the Tax Benefits, to own or hold property under lease and to enter into and perform its obligations under this Lease.

(b) Due Authorization. The execution, delivery and performance by the Owner of this Lease has been duly authorized by all necessary corporate action on the part of the Owner.

(c) Due Execution. This Lease has been duly executed and delivered by the Owner and constitutes the legal, valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms.

(d) No Violation. Neither the execution or delivery of this Lease, nor the consummation of the transactions contemplated hereby, nor the performance by the Owner of its obligations hereunder, violates or will violate any law, governmental rule or regulation or any judgment, order or decree of any court, administrative agency or other governmental authority, or conflicts or will conflict with or results or will result in a breach of any of the provisions of, the Certificate of Incorporation or By-laws of the Owner or any agreement or instrument to which the Owner is subject or is a party or by which it is bound.

(e) Conditions of Section 168(f)(8)(B) of the Code. The Owner is a corporation which meets the conditions of Section 168(f)(8)(B) of the Code and on the date hereof the minimum investment of the Owner in each Item of Property is not less than 10 percent of the Owner's Adjusted Basis of such Item of Property.

21.2. Further Assurances. The Owner, at the cost and expense of the Lessee, will cause to be promptly and duly made, taken, executed, acknowledged and delivered all such further elections, acts, documents and assurances as the Lessee may from time to time reasonably request in order more effectively to carry out the intent and purposes of this Lease.

SECTION 22. MISCELLANEOUS

22.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given, except where actual receipt thereof is required pursuant to this Lease, when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Owner: HGA Corporation
c/o Hyatt Corporation
One Hyatt Center
9700 W. Bryn Mawr Avenue
Rosemont, Illinois 60018
Attention: H. S. Handelsman

If to the Lessee: Union Tank Car Company
39 S. La Salle Street
Chicago, Illinois 60603
Attention: Treasurer

or addressed to any such party at such other address as such party shall hereafter furnish to such other parties in writing.

22.2. Right of Owner to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, the Owner may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by the Owner and all cost and expense including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the Owner upon demand as additional rent hereunder, with interest at the rate of 17-1/2% per annum, or the highest lawful rate, whichever is less.

22.3. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

22.4. Law Governing. This Lease shall be construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

22.5. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

22.6. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

22.7. Survival. All warranties, representations and covenants made by the Lessee herein or in any certificate or other instrument delivered by the Lessee or on behalf of the Lessee under this Lease shall be considered to have been relied upon by the Owner, the Trustee and their respective successors and assigns and shall survive the consummation of the transactions contemplated hereby regardless of any investigation made by any such party or on behalf of any such party. All statements in any such certificate or other instrument shall constitute warranties and representations of the Lessee.

22.8. Amendments. This Lease may be amended and provisions hereof shall be modifiable or waived only by an agreement in writing signed by the Owner and the Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the respective corporate seals of the Owner and the Lessee to be hereto affixed as of the day and year first above written.


[CORPORATE SEAL]

HGA CORPORATION,

by


Title Vice President

ATTEST:


Assistant Secretary

[CORPORATE SEAL]

UNION TANK CAR COMPANY,

by

B. A. Shurman
Title Vice President

ATTEST:


Secretary

STATE OF ILLINOIS,)
COUNTY OF COOK,) ss.:

On this 26th day of February 1982, before me personally appeared Allen P. Paller, known to me personally, who being by me duly sworn, is known to be Vice President of HGA CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Carol A. Westberg
Notary Public
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My commission expires: 8/18/82

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 26th day of February 1982, before me personally appeared B. Q. Struckman, to me personally known, who being by me duly sworn, is known to be Vice President of UNION TANK CAR COMPANY, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Carol A. Westberg
Notary Public

My commission expires: 8/18/82

Property

The aggregate Lessee's Adjusted Basis for all Items of Property consisting of the 422 tank cars and 68 covered hopper cars bearing UTLX numbers listed on Exhibit A-2 hereto is \$21,519,273.

The Lessee's Adjusted Basis for each Item of Property shall be as reflected on Exhibit A-1 to the Purchase Agreement.

DESCRIPTION OF LEASE PROPERTY

<u>Quantity</u>	<u>A.A.R. Mechanical Designation Code</u>	<u>Capacity in Gallons</u>	<u>Road Numbers</u>
17	TA	14,000	UTLX 11296-11299, 11301-11313
3	TM	23,500	UTLX 67682, 67684, 67685

DESCRIPTION OF LEASE PROPERTY

<u>Quantity</u>	<u>A.A.R. Mechanical Designation Code</u>	<u>Capacity in Gallons or Cu. Ft.</u>	<u>Road Numbers</u>
10	LO	5,820 cu. ft.	UTCX 43290-43299
12	TM	26,000 gallons	UTLX 2600-2609, 2611, 2613
6	TA	14,000 gallons	UTLX 11300, 13833- 13837
19	TM	11,000 gallons	UTLX 24720-24738
25	TM	14,000 gallons	UTLX 24739-24763
45	TM	30,000 gallons	UTLX 48145, 48147, 48149-48151, 48154-48156, 48158, 48159, 48161, 48163- 48165, 48167, 48168, 48175, 48177-48182, 48186, 48187, 48190, 48195, 48197, 48198, 48200-48202, 48209, 48211, 48213, 48308, 48311-48314, 48317, 48320, 48321, 48325, 48338
1	TM	16,000 gallons	UTLX 66410
9	TM	18,000 gallons	UTLX 66544, 66547, 66548, 66550- 66555
13	TM	23,500 gallons	UTLX 67742-67751, 67756, 67757, 67578
16	LO	5,820 cu. ft.	UTLX 220102-220107, 220160, 220161, 220163, 220164, 220168-220173

 156 Total

DESCRIPTION OF LEASE PROPERTY

<u>Quantity</u>	<u>A.A.R. Mechanical Designation Code</u>	<u>Capacity in Gallons</u>	<u>Road Numbers</u>
5	TM	30,000	UTLX 48203, 48204, 48206, 48207, 48210
5	TM	20,000	UTLX 48236-48238, 48240, 48243
10	TM	30,000	UTLX 48310, 48326- 48331, 48337, 48339, 48340
11	TM	16,000	UTLX 65929-65939
<u>5</u>	TM	23,500	UTLX 67573-67577
36 Total			

DESCRIPTION OF LEASE PROPERTY

<u>Quantity</u>	<u>A.A.R. Mechanical Designation Code</u>	<u>Capacity in Gallons</u>	<u>Road Numbers</u>
31	TM	23,500	UTLX 67712-67730, 67752-67755, 67758-67765
63	TM	16,000	UTLX 66409, 66411, 66412, 66414- 66473
7	TM	26,000	UTLX 2610, 2612, 2614, 2615, 2617-2619
8	TP	20,000	UTLX 27611-27618
8	TM	14,000	UTLX 24695-24702
18	TM	20,000	UTLX 67337-67339, 67555-67559, 68006-68007, 68010-68011, 68014, 68053, 68055, 68057- 68059
40	TM	21,000	UTLX 48002-48010, 48012-48013, 48015, 48017- 48018, 48020- 48023, 48026- 48033, 48037, 48040-48041, 48043-48046, 48048-48050, 48052-48053, 48056, 48061
29	TM	18,000	UTLX 66542-66543, 66545-66546, 66549, 66556- 66579
32	TM	13,000	UTLX 60671-60693, 60697, 60699- 60705, 60708
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236	Total		

DESCRIPTION OF LEASE PROPERTY

<u>Quantity</u>	<u>A.A.R. Mechanical Designation Code</u>	<u>Capacity in Cu. Ft.</u>	<u>Road Numbers</u>
42	LO	5,820	UTLX 220108, 220111, 220113-220123, 220125-220135, 220137, 220139, 220140, 220142- 220149, 220152, 220153, 220155- 220159

42 Total

490 Grand Total

Schedule of Rent Payments

A. Interim rent shall be payable on February 1, 1982, in an amount equal to 4% of Lessee's Adjusted Basis for each Item of Property as reflected on Exhibit A-1 of the Purchase Agreement for each Item of Property. Additionally, interim rent shall be payable on March 1, 1982, in an amount equal to 1.5% of Lessee's Adjusted Basis for each Item of Property as reflected on Exhibit A-1 of the Purchase Agreement for each Item of Property.

B. Basic Rent shall be payable in 39 consecutive semiannual payments payable in arrears on March 1 and September 1 in each year, commencing September 1, 1982, to and including March 1, 1997. The first 30 semiannual rental payments shall each be in the amount of \$1,476,254.31 and the subsequent 9 semiannual payments shall each be in the amount of \$42,000.

Casualty Value Percentages

<u>No. of Rent Payments Made</u>	<u>Rent Payment Date</u>	<u>Casualty Value Percentage</u>
0	March 1, 1982	101.379423
1	Sept 1, 1982	106.601074
2	March 1, 1983	111.402026
3	Sept 1, 1983	111.868024
4	March 1, 1984	115.707321
5	Sept 1, 1984	115.059527
6	March 1, 1985	117.749191
7	Sept 1, 1985	115.821113
8	March 1, 1986	116.941747
9	Sept 1, 1986	118.024475
10	March 1, 1987	111.689448
11	Sept 1, 1987	106.006285
12	March 1, 1988	103.921939
13	Sept 1, 1988	101.518769
14	March 1, 1989	98.792937
15	Sept 1, 1989	95.722949
16	March 1, 1990	92.302406
17	Sept 1, 1990	88.509309
18	March 1, 1991	84.335012
19	Sept 1, 1991	79.836300
20	March 1, 1992	75.055306
21	Sept 1, 1992	70.006042
22	March 1, 1993	64.676090
23	Sept 1, 1993	59.060634
24	March 1, 1994	53.139304
25	Sept 1, 1994	46.906295
26	March 1, 1995	40.338041
27	Sept 1, 1995	33.429189
28	March 1, 1996	26.152499
29	Sept 1, 1996	18.503214
30	March 1, 1997	10.449860
31	Sept 1, 1997	8.804675

Casualty Value Percentages

<u>No. of Rent Payments Made</u>	<u>Rent Payment Date</u>	<u>Casualty Value Percentage</u>
32	March 1, 1998	7.271693
33	Sept 1, 1998	5.871854
34	March 1, 1999	4.597300
35	Sept 1, 1999	3.471378
36	March 1, 2000	2.481416
37	Sept 1, 2000	1.646849
38	March 1, 2001	0.961415
39	Sept 1, 2001	0.442978